UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION
www.flmb.uscourts.gov

In re: Case 3:15-bk-02905-JAF
Chapter 11

Ralph Washington Pressley, Jr.,

Debtor.
_______________________________/

DISCLOSURE STATEMENT

Debtor, Ralph Washington Pressley, Jr., submits the following disclosure statement.

I. INTRODUCTION

A. Purpose of Disclosure Statement

1. Debtor filed a voluntary petition under chapter 11 on June 28, 2015 and has proposed a plan.

2. This document is a disclosure statement for the plan as contemplated by §1125.

3. The purpose of a disclosure statement is to disclose adequate information as defined by §1125(a)(1) prior to soliciting acceptance or rejection of the plan.

B. Rules of Construction and Definitions

1. The disclosure statement contains only a description of the plan. It does not establish the rights of creditors and interested parties. The plan, if confirmed, is the document which establishes the rights of creditors and interested parties.

2. If there is a conflict in the language set forth in the plan and the disclosure statement, the language in the plan will control.

3. The list of definitions set forth in the plan shall have the same meaning when interpreting the disclosure statement.

4. References to statutory sections and chapters in this document are references to sections and chapters of the Bankruptcy Code, unless otherwise indicated. References to rules in this documents are references to the Federal Rules of Bankruptcy Procedure, unless otherwise indicated.

II. BACKGROUND INFORMATION

A. Purpose

1. This discloses basic background information regarding the Debtor.

B. Background

1. Debtor filed for relief under chapter 11 due to a pending foreclosure sale on his home.

2. Debtor is an individual residing in Marion County, Florida. He is the sole owner of the following entities: Marathon Equity LLC; Shadowood Villas, LLC; and, Marathon Restaurant Holdings, LLC. In addition, Debtor owns a 50% ownership interest in Opportunity Holdings, Inc.

3. Marathon Equity LLC is primarily a business consulting firm. In addition, this entity owns a residential rental home. This entity is the only entity owned by the Debtor which is not defunct and the only source of income for the Debtor other than contributions by his non-filing spouse.

4. Shadowood Villas, LLC owned a 20 unit residential apartment complex located in Ocala, Florida (the “Apartment Complex”). The Apartment Complex was the sole asset of this entity. This entity is now defunct. The Apartment Complex was sold after the Petition Date for an amount equal to the balance owed to the mortgage holder, Florida Citizens Bank. There were no excess funds, however, Debtor was a guarantor of the debt and the sale eliminated a contingent unsecured claim of $1,174,665.00.

5. Marathon Restaurant Holdings, LLC is a business entity formed for the purpose of managing a restaurant located in Ocala, Florida which is owned by another non-affiliated entity. This entity is now defunct. This business proved unprofitable and was closed after the Petition Date.

6. Opportunity Holdings, Inc. is a business which owned a commercial office building in Ocala, Florida. This entity was defunct prior to the Petition Date.
The office building was the sole asset and a mortgagee foreclosed its mortgage and sold the property prior to the Petition Date.

III. ASSETS OF THE ESTATE

A. Purpose

1. The following is an estimate of the fair market value of the assets of the bankruptcy estate as of the date of the plan. Amounts have been rounded to the nearest $5.

B. Sources of Information

1. The sources of information for estimating the fair market value of assets of the estate include the following: the financial records of the Debtor; the schedules and statement of financial affairs filed in this case; the public records, property appraisers records and tax collectors records of Marion County, Florida; and, the records of the Florida Department of State and any monthly operating reports filed with the U.S. Trustee.

2. Defunct entities in which Debtor had an interest are not listed below as they have no value.

C. The Assets

Cash Accounts	100
Motorized Vehicles	9000
All Other Tangible Personal Property	2725
Marathon Equity LLC	5000
Residential Home	487000
Total of All Assets	$503,825

IV. CLAIMS AGAINST THE ESTATE

A. Purpose

1. The following is an estimate of allowed claims held by the creditors in this case. The claims are broken down into the classifications set forth in the plan. The amounts owed to creditors, as set forth in this analysis, are based upon information available to the debtors as of the date of the plan. Amounts have been rounded to the nearest $5.

B. Information Sources

1. The sources of information for estimating claims against the estate include the following: the financial records of the debtor; the schedules and statement of financial affairs filed in this case; claims filed in this case; the court records, public records, property appraisers records and tax collectors records of Marion County, Florida; and the records of the Florida Department of State.

C. Other Information

1. The amount shown for administrative claims is the estimated amount of attorneys fees which will be allowed and which will be unpaid on the effective date of the plan.

2. The amount shown for priority claims is based upon Claim 2 filed by the Florida Department of Revenue.

3. The amount shown as a claim for Class 1- Wells Fargo Bank, N.A. is an unsecured claim based upon Claim 1. The Debtor is a maker of a note secured by a residence which his ex-wife owns solely in her name.

4. The amount shown as a claim for Class 2- Wells Fargo Bank, N.A. is a partially secured claim based upon Claim 5. The collateral is a residential home owned by the Debtor. The amount shown is the total amount owed on the claim without taking into account the value of the collateral.

C. The Claims

Unclassified - Administrative Claims	10000
Unclassified - Priority Tax Claims	10285
CLASS 1 - WELLS FARGO BANK N.A.	24015
CLASS 2 - WELLS FARGO BANK N.A.	753045
CLASS 3 - GENERAL UNSECURED CLAIMS	26455
Total Claims ➜	$823,800

V. LIQUIDATION ANALYSIS

A. Purpose

1. The following is a liquidation analysis of the Debtor. Its purpose is to show what the Debtor estimates would be available to pay creditors who hold allowed general unsecured claims, if the case were converted to chapter 7 and the assets of the bankruptcy estate were liquidated. This is the best estimate by the Debtor of the liquidation value of the estate as of the date of the plan. It is believed the liquidation value will not significantly change prior to confirmation or in the near future thereafter. Amounts have been rounded to the nearest $5.

B. Assumptions

1. This analysis assumes an orderly liquidation of assets. This includes the assumption that all non-exempt personal property would be liquidated by auction within 90 days and all real property would be sold over a one-year period from said date.

2. This analysis assumes that if the assets were liquidated the Debtor would surrender his residential home. The Debtor would amend Schedule C with respect to assets claimed as exempt. The Debtor would no longer claim the residential home as exempt under Art. X, §4 of the Florida Constitution. This would allow him to take

advantage of Fla. Stat. § 222.25(4) and permit him to claim as exempt an additional $4,000.00 in personal property.

3. The amount shown as a claim for Class 1- Wells Fargo Bank, N.A. is $00.00. This is an unsecured claim wherein the Debtor is a maker of a note secured by a residence his ex-wife owns solely in her name. The collateral is believed to have value equal or exceeding the amount owed.

4. The amount shown as a claim for Class 2 - Wells Fargo Bank, N.A. is $477,000. This is a claim secured by a mortgage on the residential home owned by the Debtor. The amount shown is only the secured claim. It is based on an appraisal obtained by Wells Fargo Bank, N.A. This analysis assumes the collateral securing Class 2 - Wells Fargo Bank, N.A. would not be liquidated by a chapter 7 trustee.

5. This analysis takes into account administrative costs and expenses. It assumes that the administrative costs and expenses would equal 25% of the total amount of the assets which are not exempt and not surrendered to secured creditors. That amount is listed below as "Unclassified - Allowed Administrative Expenses".

C. Sources of Information

1. The sources of information for the liquidation analysis include the following: the financial records of the Debtor; the schedules and statement of financial affairs filed in this case; claims filed in this case; the public records, property appraisers records and tax collectors records of Marion County, Florida.

D. The Analysis

Assets

Cash Accounts	100
Motorized Vehicles	9000
All Other Tangible Personal Property	2725
Marathon Equity LLC	5000
Residential Home	487000

Exemptions

Motor Vehicle Exemption Fla. Stat. § 222.25(1)	[1000]
Personal Property Exemption Fla. Const. art. X, § 4(a)(2)	[1000]
Personal Property Exemption Fla. Stat. § 222.25(4)	[4000]

Claims

Unclassified - Administrative Claims	[2705]
Unclassified - Priority Tax Claims	[10285]
CLASS 1 - WELLS FARGO BANK N.A.	00000
CLASS 2 - WELLS FARGO BANK N.A.	[487000]
Amount Available for Distribution to General Unsecured Creditors	$[2165]

D. Conclusions from Liquidation Analysis

1. The amounts shown in brackets are negative numbers. Therefore, the analysis shows there would be no distribution to general unsecured creditors.

2. Debtor owns $16,825 in unencumbered assets. He is entitled to exempt from liquidation $6,000 in assets if he surrenders the residential home and does not claim it exempt as a homestead. That leaves $10,825 in unencumbered and nonexempt assets for liquidation and distribution to administrative claim, priority claims and, general unsecured claims.

3. If the administrative costs and expenses to liquidate the unencumbered and nonexempt assets equals 25% that leaves approximately $8,120 for distribution to priority claims and, general unsecured claims. Priority claims are required to be paid prior to general unsecured claims under the Bankruptcy Code. Therefore, because the priority claim held by the Florida Department of Revenue in the amount of $10,285 exceeds the remaining available funds, no distribution would be made to general unsecured claims.

VI. SUMMARY OF PLAN

A. Unclassified Claims.

1. The claims of most creditors are classified into various classes of creditors, however, administrative claims and priority claims, including secured tax claims which would otherwise meet the description of a priority claim, are left unclassified under the plan. These claims are automatically entitled to specific treatment. The holders of such claims do not vote on the plan. They may, however, object if, in their view, their treatment under the plan does not comply with the Bankruptcy Code. See §1123(a)(1) for determining which claims may be left unclassified. See §1129(a)(9)(D) for the required treatment of administrative claims and priority claims.

2. Administrative expenses are costs or expenses of administering the chapter 11 case which are allowed under the Bankruptcy Code. The plan provides that all administrative claims shall be paid as set forth below. See §503(b) and §507(a)(2) for a description of allowable administrative expenses and costs.

a. All post-petition tax obligations shall be paid in full on or before the effective date of the plan.

b. The attorney for the debtor has agreed to accept deferred payments for any administrative claim for attorney fees and expenses allowed by the Court.

c. All other allowed administrative expenses are costs or expenses shall be paid in full, on or before upon the effective date of the plan, unless the claim holder has agreed to accept deferred payments.

3. Priority claims are those claims entitled to priority of payment ahead of general unsecured creditors.

a. Debtor will pay to creditors holding allowed priority tax claims, including secured tax claims which would otherwise meet the description of a priority tax claim, a sufficient amount each month in equal payments, to satisfy such claims, with interest at 3% per annum, or at such greater amount as may be required under the Bankruptcy Code. Payments shall commence on the effective date of the plan, and continue on the same day of each succeeding month for the maximum number of months permitted to pay priority tax claims under the Bankruptcy Code.

b. Debtor estimates the maximum number of months permitted to pay priority tax claims will be 40 months from the effective date of the plan. See §507 for a description of claims are entitled to priority. See §511 for determining the higher rate of interest applicable to some taxing authorities. See §1129(a)(9)(C)(ii) for determining maximum number of months permitted to pay priority tax claims.

c. Florida Department of Revenue has a priority claim in the amount of $10,285. It is estimated this creditor will receive $275 each month until the claims are satisfied, with interest, as set forth above.

4. Any statutory fees due the United States Trustee will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Bankruptcy Code. Any fees owed on or before the effective date of this plan will be paid on the effective date of the plan.

B. Classified Claims and Interests

CLASS 1 - WELLS FARGO BANK N.A.

a. This class is the allowed secured claim of Wells Fargo Bank N.A. represented by Claim 1.

b. Wells Fargo Bank N.A. filed Claim 1 indicating it holds a secured claim in the amount of $24,014.95. The collateral is former marital property now owned by the former wife of the Debtor.

c. The former wife of the Debtor is responsible for payments on this obligation and has consistently made the payments and remained current on this obligation.

d. Claim 1 indicates there are no arrearages on this obligation and that the monthly payment is in the amount of $276.79

e. The property address for the collateral securing Claim 1 is 3545 NE Fort King Street, Unit 255E, Ocala, FL 34470.

f. The rights of Wells Fargo Bank N.A. in this class shall remain unaltered and all provisions of the note, mortgage and associated documents shall remain in full force and effect. Further, this creditor shall continue to receive the monthly regular payments.

g. Wells Fargo shall retain its lien in its collateral in this class.

h. This class is not impaired.

CLASS 2 - WELLS FARGO BANK N.A.

a. This class is the allowed secured claim of Wells Fargo Bank N.A. represented by Claim 5.

b. Wells Fargo Bank N.A. filed Claim 5 indicating it holds a secured claim in the amount of $753,042.15. The collateral is the homestead of the Debtor. The proof of claim indicates there are $208,618.40 in arrearages as of the petition date.

c. The property address for the collateral securing Claim 5 is 840 SE 5th Street, Ocala, FL 34471.

d. Any default under any contractual provision of the note, mortgage or associated documents shall be cured and the loan obligation reinstated as provided by §1124(2).

e. The maturity date of the claim shall be reinstated to the date which existed before any default.

f. The regular monthly payments shall resume on the effective date of the plan or at such earlier time as required by agreement or court order. The proof of claim indicates the monthly payment is $4,918.66.

g. The amounts owed for arrearages which have accrued through the effective date of the plan shall be cured. Monthly payments to cure the arrearages shall commence on the effective date of the plan and continue on the same date of each month until the maturity date of the claim. Each monthly payment to cure the arrearages shall be equal in amount and sufficient pay all arrearages, including any additional amounts required to comply with §1124(2)(C). The estimated monthly payment to cure the arrearages is $1,303.31. This assumes the effective date of the plan will be February 1, 2017.

h. The legal, equitable, and contractual rights of the Debtor or Wells Fargo Bank, N.A. shall not be otherwise altered as provided by §1124(2)(C)

i. Wells Fargo shall retain its lien in its collateral in this class.

j. This class is not impaired.

CLASS 3 - GENERAL UNSECURED CLAIMS

a. This class is comprised of the allowed general unsecured claims held by creditors.

b. Debtor estimates there are $26,455 in claims in this class.

c. Creditors in this class shall receive a distribution of $500.00 each month.

d. Debtor estimates all claims in this class will be satisfied after 52 months of payments at $500.00 each month.

e. The first payment shall be due on the effective date of the plan and continue on the same day of each succeeding month until all claims are satisfied.

f. This class is impaired.

C. Executory and Contracts and Unexpired Leases

1. Debtor is unaware of any executory contracts or unexpired leases. To the extent executory and contracts or unexpired leases might exist they shall be deemed rejected on the effective date of the plan.

VII. PROJECTED INCOME AND EXPENSES UNDER THE PLAN

A. Purpose and General information

1. The purpose of this projection is to demonstrate the ability of the Debtor to make the payments required by the plan, and to show that the Debtor is using all disposable income to fund the plan.

2. The amount shown for income includes income from an ex-wife. This is the amount the ex-wife pays directly to Wells Fargo Bank N.A. in Class 1.

3. Amounts have been rounded to the nearest $5.

B. Monthly Income and Expenses

Income

Marathon Equity LLC	9165
Ex-Wife	275
Total Income	9440

Expenses

Electric Utilities	[525]
Gas Utility	[50]
Cable TV / Internet	[175]
Auto Expense	[75]
Auto Insurance	[160]
Life Insurance	[65]
Groceries	[520]
Taxes (IRS)	[400]
Total Expenses	[1970]

Plan Payments

Administrative Claims	[200]
Priority Claims	[275]
Class 1 - Wells Fargo Bank N.A.	[275]
Class 2 - Wells Fargo Bank N.A.	[6220]
Class 3 - General Unsecured Claims	[500]
Total Plan Payments	[7470]
Excess Funds	0000

VIII. SOURCE OF PAYMENTS; MEANS OF IMPLEMENTING THE PLAN; AND TAX CONSEQUENCES

A. The source of funding for this plan is the income of the Debtor from operation of Marathon Equity LLC. The exception is a minor payment made directly to a mortgagee by an ex-wife on real property she owns.

B. The debtor is unaware of any tax consequences to creditors or the debtor which would result from confirmation of the plan. Creditors concerned with how the plan may affect their tax liability should consult with their own accountants, attorneys, or advisors.

IX. HOW A PLAN IS CONFIRMED BY THE COURT

A. Requirements Under§1129(a) or §1129(b)

1. A plan must meet the requirements listed in §1129(a) or §1129(b) to be confirmed. The major requirements under§1129 are as set forth below. The requirements listed below are not the only requirements listed in§1129, and they are not the only requirements for confirmation.

a. First, the plan must be proposed in good faith.

b. Second, at least one impaired class of claims must accept the plan, without counting votes of insiders.

c. Third, the plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a case under chapter 7 of the Bankruptcy Code, unless the creditor or equity interest holder votes to accept the plan.

d. Fourth, the court must find that confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtors or any successor to the debtors, unless such liquidation or reorganization is proposed in the plan.

e. And finally, the plan must be feasible.

B. Objections to the Plan

1. Any party in interest may object to the confirmation of the plan if the party believes that the requirements for confirmation are not met.

C. Voting on the Plan

1. Any interested party may object to confirmation of the plan, however, not all interested parties are entitled to vote to accept or reject the plan.

2. A creditor or equity interest holder has a right to vote for or against the plan only if that creditor or equity interest holder has a claim or equity interest that is both impaired and allowed, or allowed for voting purposes.

a. A class is generally considered to be impaired if the plan alters the legal, equitable, or contractual rights of the members of that class. See § 1124 for a complete description of when a class is impaired.

b. A claim or equity interest is generally allowed if:
i. The debtor has scheduled the claim on the debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated; or,
ii. The creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest.

c. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Fed. R. Bankr. P. 3018(a).

3. The holders of the following five types of claims and equity interests are *not* entitled to vote:
a. Holders of claims and equity interests that have been disallowed by an order of the court;

b. Holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests", unless they have been "allowed" for voting purposes;

c. Holders of claims or equity interests in unimpaired classes;

d. Holders of claims entitled to priority under§507(a)(2), (a)(3), and (a)(8); and,

e. Holders of claims or equity interests in classes that do not receive or retain any value under the plan.

4. A class of claims accepts the plan if both of the following occur:

a. The holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the plan; and,

b. The holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the plan.

D. Confirmation and Cram Down

1. The court cannot confirm the plan unless:

a. At least one impaired class of creditors has accepted the plan without counting the votes of any insiders within that class; and,

b. All impaired classes have voted to accept the plan, unless the plan is eligible to be confirmed by "cram down" on non-accepting classes.

2. If at least one impaired class of creditors has accepted the plan without counting the votes of any insiders within that class, the court may nonetheless confirm the plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b). Confirmation where there are non-accepting classes is commonly referred to as a "cram down". The Bankruptcy Code allows the plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8), and the plan does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the plan.

DATED: November 16, 2016

DEBTOR

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